



# PETROGRAND

PRESS RELEASE 17 January 2018

## **Finance and Operational Update: Petrogrand and Petroneft Enter into Facility Agreement**

Petrogrand (hereinafter, "Petrogrand") is pleased to announce making an investment by way of loan to UK and Irish listed PetroNeft Resources Plc (hereinafter, "PetroNeft"). PetroNeft is an oil & gas exploration and production company, operating in the Tomsk Oblast, Russian Federation ([www.petroneft.com](http://www.petroneft.com)).

Petrogrand has agreed to provide PetroNeft a secured loan facility in the amount of up to US\$2 million at the interest rate of 9%+LIBOR that matures on 31 December 2018. The loan facility will be used to finance a potential drilling programme of PetroNeft in 2018 and for general corporate purposes.

Due to Mr Korobov, the largest shareholder of Petrogrand, being a director and shareholder of PetroNeft, the loan facility is considered to be a related party transaction. Mr Korobov has not therefore participated in any discussions and the decision making process on either side. The directors of Petrogrand consider the terms of the loan facility to be arm's length and fair for Petrogrand.

Pavel Tetyakov, Managing Director of Petrogrand commented on the transaction: "We are pleased to have entered into this arrangement with Petroneft after a period of actively considering a range of investment opportunities."

For further information, please contact:

Richard Cowie, Chairman of the Board.

Pavel Tetyakov, CEO.

Phone: +46 8 5000 7810 [info@petrogrand.se](mailto:info@petrogrand.se)

About Petrogrand

For more information visit the company's webpage [www.petrogrand.se](http://www.petrogrand.se)